

## REMARKS

In the Office Action, claims 1-11 were rejected under 35 U.S.C. 102 as being anticipated by Wallman (US 6601044) for reasons set forth in the Action. The examiner has cited various passages in Wallman to show features set forth in the present claims. The position of the examiner is traversed respectfully in view of the following argument, and in view of the amendment to the claims which emphasizes a distinction between the presently claimed subject matter and the teachings of Wallman.

Basically, Wallman is dealing with a computer-based system for creating (Abstract) a portfolio of assets for persons of limited financial capacity, wherein a person may be provided with a fraction of a share of stock (col. 21 at line 23) in his portfolio, and for executing trades in the assets to modify the portfolio. The teachings of Wallman differ distinctly from the teachings of the present specification, wherein the present specification deals with the dividing out of rights contained within a share of an asset, and establishing a market for trading the divided-out rights.

In Wallman, a person may own only a tenth of a share of an asset, but that tenth of a share includes a tenth of a right to vote, wherein the brokerage house managing the portfolio combines the tenth of the right to vote with the fractional voting rights of other persons holding voting right plus some voting rights retained by the brokerage house to provide an integral number of votes in an election for some corporate (or other business) matter. The tenth of a share also includes the right to receive one tenth of a dividend (the amount allocated to one share) that may be paid by the corporation that has issued the shares of stock. The brokerage house tends to the matter of dividing up the dividends received from the corporation so that the shareholder having the one tenth of a share gets his one tenth of the dividend allocated to a share of the stock.

As noted in Wallman (bottom of col. 19), by aggregating orders that are otherwise economically unviable, such as odd lots, fractional shares and small orders, into one large order, Wallman creates an economy of scale that permits smaller investors to manage a portfolio of securities.

From the foregoing discussion of Wallman, it is understood that each person having a portfolio administered by the brokerage house receives a complete package of rights to the asset, all of the rights being present in the package, even if the package is very small, such as only the aforementioned one tenth of a share of the asset.

In contrast, the present specification deals with a plurality of portions of the set of rights which constitute the asset, wherein one such portion may include the right to receive a dividend, while another such portion may include the right to vote. Thus, the specification is dealing with different kinds of rights that are found in the different portions of the set of rights that constitute the asset. Such a portion might be relatively small, such as the right to receive the dividend from only a few shares of stock, or the right to vote only a few shares the stock. Or the portion might be relatively large, such as the right to receive the dividend from a thousand shares of the stock, or the right to vote the thousand shares of stock. In addition, the specification describes a market that is able to handle (to buy and to sell) the different kinds of rights, including the situation wherein a specific right is designated for a specific interval of time, and to enable an individual investor in a portion of the set of rights to acquire the missing rights so as to obtain the complete set of rights that constitute the asset.

The foregoing teaching of the present specification is not included in nor suggested by the disclosure of Wallman.

It is noted on page 4 of the Office Action (middle of the page) that the examiner refers to the claimed subject matter dealing with a limited duration of time that has been designated to a fractional right. The examiner refers to Wallman at col. 44, line 51 through col. 45. Line 48. The cited passage makes reference to calendaring various financial matters, but does not discuss the creation of a right having a specific time interval, such as a window of time in which a warrant may be exercised. Thus, it is believed that the presently claimed subject matter dealing with a limited duration of time is not disclosed in Wallman.

In order to clarify the foregoing distinctions between the teachings of Wallman and the present specification, as set forth in the present claims, claim 1 is amended to list

various rights that are discussed in the specification. Furthermore, claim 1 specifically states a step of dividing the set of rights into portions, wherein each of the portions has at least one of the rights, and wherein a kind of right that is present in a first of the portions is absent in a second of the portions. The foregoing step of dividing the set of rights into portions provides clear distinctions among the various portions of the set of rights provided by an asset. It is emphasized that the foregoing cited passage of the claim states that a kind of right that is present in a first of the portions is absent in a second of the portions. No such division of a set of rights is disclosed in Wallman.

In addition, it is noted that claim 1 specifically calls for the steps of acquiring shares of ownership in a property, dividing the set of rights into portions, and establishing a market in the portions, wherein the portions are distinguished by the kinds of rights included in the portions. Wallman says nothing about the dividing out of one kind of right from a set of rights that constitute a share of a security, nor the separate administration of that divided-out right from other ones of the rights retained by an investor, nor the establishing of a market for the different rights or groupings (portions) of rights that would enable an investor ultimately to regain a complete set of the rights.

It is urged that the foregoing amendment and argument clearly distinguishes the subject matter of Wallman from the subject matter of the present claim 1 and the claims depending therefrom, so as to overcome the rejections under 35 U.S.C. 102, and to show the presence of allowable subject matter in the claims.

The following passages in the present specification provide support for the amendatory language inserted into claim 1. The portion of the rights (page 3 at line 6) may relate to the kind of right and/or to a period of time in which the right is available. Examples of various kinds of rights and periods of time are given throughout the specification. Typically, at least one of the portions of the security is an equity portion with an equity right, (page 4 at line 20) and at least another one of the portions is a non-equity portion with a non-equity right that has been stripped off, or divided out, from the equity portion. Differences in the classes of stock may concern the presence or absence of voting rights for management of the corporation, (page 2 at lines 3-10) or the right to receive a dividend in

one class of stock in preference of the right to receive a dividend in another class of the stock as in the case of a preferred share of stock, or the right to convert between different classes of stock subject to certain conditions, or the attachment of warrants to a stock giving the right to purchase additional shares subject to certain conditions, or the designation of the value of a stock to a specific area of the corporate business as in a tracking stock. The right to a portion of a dividend is disclosed on page 11 at line 23. Payment of interest is disclosed on page 2 at line 15. Renting is disclosed on page 1 at line 16. Real property is disclosed on page 1 at lines 10-11. Dividends, stock splits and warrants are disclosed on page 10 at line 4. Residual rights are disclosed on page 8 at line 21. Capital appreciation is disclosed on page 6 at line 28.

The foregoing amendment is believed to meet all the points raised by the Examiner so as to place the claims in condition for allowance. If any of the matters raised in the Action or any further matters have not been adequately resolved by this amendment, a telephone interview between Applicant's representative and the Examiner is requested in order to resolve any such outstanding matters.

It is believed that all the claims are now in condition for allowance in that they patently distinguish over the art. Accordingly, a favorable response indicating such condition is earnestly solicited.

Respectfully submitted,



David M. Warren  
Reg. No. 25520  
Attorney for Applicant  
655 Oakland Ave.  
Cedarhurst, NY 11516

Tel. (516) 295-2054

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